

## Public Act 123 Delinquent Tax Law Questions & Answers

### **Q. If I don't pay my taxes, will I really lose my house & property?**

A. Yes. Property owners who had delinquent taxes under the old law could also lose their property, but they had more time to pay and more "second chances." Under the new law, if your taxes can be delinquent for TWO YEARS, that's it. You've lost the property.

### **Q. What is a delinquent tax?**

A. A delinquent tax is an unpaid tax that has been forwarded to the County Treasurer for collection on March 1<sup>st</sup> of the year after it was assessed. For example, taxes that were billed by your village, city or township in 2011 are delinquent and turned over to the County Treasurer on March 1, 2012.

### **Q. What happens after the property tax is forwarded to the County Treasurer for collection?**

A. The County Treasurer adds a 4% administration fee and interest of 1% per month. After one year, the property is forfeited to the County Treasurer. For example, the 2011 taxes that are still unpaid as of March 1, 2013 will be in forfeiture.

### **Q. What does it mean for my property to be in "Forfeiture"? Does that mean I lose my property?**

A. No. Forfeiture is not foreclosure. If your property is in forfeiture, you still have a year before it will be foreclosed; however the interest and fees

will be higher. When a property is forfeited, the interest rate goes from 1% per month to 1.5% per month, back to the date the taxes became delinquent. A \$175 fee is also added as well as \$20 in recording fees.

As an example of what would happen, a tax bill that was originally \$1400 (in 2011) would increase to \$1628 by February 1 of 2013, but on March 1, 2013, with the fees and additional interest, it would go up to \$1925. The interest per month would increase from \$14 to \$21.

### **Q. What happens after my property is in forfeiture?**

A. After a property has been in forfeiture for one year, it will be foreclosed. 2011 property taxes will be foreclosed March 31, 2014.

### **Q. What happens after my property is foreclosed? How do I get it back?**

A. **YOU CANNOT GET YOUR PROPERTY BACK AFTER IT HAS BEEN FORECLOSED. FORECLOSURE IS FINAL.** Property that has been foreclosed upon may be sold to the State of Michigan or local unit of government for a public purpose, or sold at public auction to the highest bidder.

### **Q. I still owe my property taxes from the year 2008. What should I do about those?**

A. Pay them as quickly as possible. The delinquent 2011 taxes will be foreclosed on March 31, 2014.

### **Q. What if I don't think I'll have the money to pay all the taxes at once?**

A. If you can't pay all your taxes at once, you can make partial payments. The entire tax must be paid in full to avoid foreclosure. To ensure your payment is applied to your parcel, please be sure to include your parcel number with your payment, and please tell us that you are making a partial payment. In the event that you cannot pay all of your taxes before foreclosure, please contact The Department of Human Services at 269-621-2800 for possible financial assistance.

### **Q. Will I receive any notification before my property is foreclosed?**

A. Yes, at least five notifications will be made. Two will be by 1<sup>st</sup> class mail, two by certified mail and one by personal service. In addition to these notices, ALL delinquent properties (Owner names and addresses) remaining in forfeiture on December 1, 2013 (for 2011 taxes) will be published in the newspaper.

### **Q. If I refuse to accept the mailed notice, avoid the personal service, or transfer ownership of the property, will I avoid foreclosure?**

A. No, the County Treasurer is only required to make a reasonable effort to notify the person or persons with a legal interest who appear on county records at the time of forfeiture.

### **Q. I guess I really don't have to worry about losing my property until 2014. Why not wait and pay my taxes then?**

A. **DON'T WAIT!** The longer you delay the more expensive it will be--interest and fees are continually building up. **Also, remember that there is no statutory relief if you fail to pay because of an unanticipated absence, delays in mail delivery, illness or forgetfulness.**

## Tax Payments:

Delinquent taxes can be paid in person Monday through Friday, from 8:30 a.m. to 5:00 p.m. at the County Treasurer's Office, located in the Administration and Land Services Building, Suite 101, 219 E. Paw Paw Street, Paw Paw, MI 49079. (Across the street from the Courthouse.)

Please contact the office for the current amount before mailing.

**BEGINNING JANUARY 1, 2014, PAYMENTS FOR 2011 TAXES MUST BE MADE BY CERTIFIED CHECK, MONEY ORDER OR CASH. PERSONAL CHECKS WILL BE RETURNED.**

Partial payments will be accepted on taxes for the year 2011 but these taxes must be paid in full before March 31, 2014.

Credit Cards (Visa & MasterCard) may be used to pay delinquent taxes. Please contact our office for a current payoff and have your parcel number ready. Then either visit our website [www.vbco.org](http://www.vbco.org) or call 1-866-310-9407. Paymentus Corporation will process your credit card transaction. Note: you will be charged a 2.65% convenience fee for this service.

If you still have questions, contact  
Karen Makay  
Van Buren County Treasurer  
At 269-657-8228

## Time Line for foreclosure of 2011 Property Taxes

July/December 2011: Taxes billed by City, Village or Township Treasurer.

March 1, 2012: Unpaid 2011 property taxes are forwarded to the County Treasurer for collection. County Treasurer adds a 4% administration fee and 1% per month interest.

October 1, 2012: County Treasurer adds \$15 fee to each unpaid tax bill.

March 1, 2013: Property is forfeited to County Treasurer. County Treasurer adds a \$175 fee and \$20 recording fee. Interest increases from 1% per month to 1.5% per month, back to March 1, 2011. (Extra 6%)

July 2013: Personal Service (Posting) of Notice of hearing. \$45 fee added.

December 2013: Publication Deadline  
\$10 fee added

January 1, 2014: No personal checks accepted after this date

Early February 2014: Circuit Court enters a Judgment of Foreclosure.

March 31, 2014 the Judgment is final and recorded at the Register of Deeds. Clear title to the property passes to the county.

August 2014– Property sold at public auction



## 2011 Taxes Important Information For Van Buren County Property Owners

PA 123 of 1999 shortened the amount of time that property owners have to pay delinquent taxes before losing their property. Previous law allowed property taxes to remain delinquent for an extended period before the property was subject to foreclosure. Taxpayers now have only TWO YEARS from the date of delinquency.

For example: **Under the new Public Act 123 of 1999, people who fail to pay their 2011 property taxes will LOSE their property to foreclosure on March 31, 2014.**

Your property tax records must be complete and current if you are to receive timely delinquency information. Be sure to record all land contracts, deeds and ownership address changes. Also be sure that your mailing address is up to date.